

Message Text

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PAGE 01 DAR ES 01300 270854Z
ACTION COME-00

INFO OCT-01 AF-10 EUR-12 ISO-00 EB-08 AID-05 XMB-02
SSO-00 /038 W
-----003046 270901Z /17
O R 270810Z MAR 78
FM AMEMBASSY DAR ES SALAAM
TO SECSTATE WASHDC IMMEDIATE 8088
INFO AMEMBASSY STOCKHOLM

LIMITED OFFICIAL USE DAR ES SALAAM 1300

ALSO PASS EXIMBANK

E.O.11652: N/A
TAGS: BENC EFIN TZ
SUBJECT: MAJOR PROJECT: PULP AND PAPER MILL IN TANZANIA

REF: STATE 75009

1. EMBASSY OFFICER DISCUSSED REFTEL REPORT WITH NDC GENERAL
MANAGER MMASI ON 25 MARCH (24 MARCH WAS LOCAL HOLIDAY).
AMBASSADOR TOOK OPPORTUNITY ON SAME DAY TO EXPRESS TO MINISTER
FINANCE MTEI US INTEREST IN PULP AND PAPER MILL ENGINEERING
CONTRACT. BOTH TANZANIAN OFFICIALS SAID CHOICE OF CONTRACTOR NOT
YET DECIDED AND THAT SELECTION BY NDC AND PROJECT CO-FINANCERS
WOULD BE MADE TOTALLY ON BASIS TECHNICAL, COST, ETC. CRITERIA
AND NOT ON SOURCE OF AID FINANTUNG.

2. ACCORDING MMASI, NDC HAD JUST COMPLETED ITS GRADING EXERCISE
ON EACH OF THE COMPETING COMPANIES AND HAD SUBMITTED RESULTS TO
PROJECT CO-FINANCERS FOR FINAL SELECTION. MMASI REFUSED GO
INTO SPECIFICS ON HOW SIMONS EASTERN OR OTHERS RATED IN NDC
SCORING BUT IMPLIED SIMONS EASTERN WAS ONE OF TWO TWO. NDC
APPRAISAL, HE SAID, DETERMINED WHO COULD DO THE JOB BEST.
CO-FINANCERS WOULD WEIGHT COST FACTOR IN FINAL DETERMINATION.
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3. MMASI SAID THERE HAS BEEN CONSIDERABLE LOBBYING AND PRESSURE
FROM SWEDEN AND OTHER COUNTRIES RE CHOICE OF CONTRACTOR BUT THAT
NDC TOTALLY IGNORING ANY SUCH ATTEMPTS INFLUENCE DECISION.
COMMENTING ON SUBSTANCE OF SIMONS EASTERN UNDERSTANDING OF
SITUATION AS CONVEYED REFTEL, MMASI STATED THE INFORMATION AND
CONCLUSIONS RE JP/E AND SWEDEN ARE NOT CORRECT. MMASI SAID

COMPANIES AND INTERESTED GOVERNMENTS SHOULD NOW AWAIT THE DECISION WITHOUT ENGAGING IN FURTHER SPECULATION OR PRESSURE.

4. EMBOFF NOTED THAT EXIMBANK HAD RECENTLY AUTHORIZED LOAN TO AIR TANZANIA AND MIGHT CONSIDER FINANCING ENGINEERING PORTION OF PULP AND PAPER. MMASI REPLIED CURTLY THAT NDC WANTS TWO PERCENT FUNDS NOT EXIM'S NINE PERCENT. HE SAID, HOWEVER, FINANCING QUESTION HAD NO BEARING ON AWARDING OF CONTRACT. HE ALSO SAID THAT

APPROAISAL OF CAUSTIC SOADA PROJECT (IN WHICH A US FIRM AND EXIM BANK ARE INTERESTED) IS DELAYED BECAUSE OF PENDING RE-EVALUATION OF PULP AND PAPER MILL TO WHICH CAUSTIC SODA PLANT COMPLEMENTARY.

5. AMEBASSADOR TOLD MINISTER OF FINANCE OF OUR SUPPORT FOR SIMONS EASTERN, WHICH HAS GOOD REPUTATION, AND OUR CONVICTION THAT FINAL DECISION SHOULD BE BASED ON USUAL WORLD BANK CRITERIA RATLR THAN ON PRESSURE FROM AID SOURCES. MINISTER ASSURED US IT WOULD BE. HE ALSO ASKED FOR US ASSISTANCE IN MEETING PROJECTED \$20 MILLION GAP IN FINANCING PULP AND PAPER PROJECT. AMBASSADOR REPLIED HE WOULD BE HAPPY EXPLORE EXIM AND/OR US COMMERICAL BANK FINANCING FOR THOSE PORTIONS INVOLVING US GOODS AND SERVICES.

6. COMMENT: WE WILL CONTINUE TO DO WHAT WE CAN TO ASSIST SIMONS EASTERN, BUT BELIEVE ADDITIONAL DIRECT REPRESENTATION AT THIS TIME COULD BE COUNTERPRODUCTIVE. WE DO PLAN DISCUSS SUBJECT WITH LOCAL IBRD REP AND WITH FRG EMBASSY. WOULD WELCOME SIMONS LIMITED OFFICIAL USE

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EASTERN AND DEPARTMENT COMMENTS ON ABOVE.
SPAIN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
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Current Classification: UNCLASSIFIED
Concepts: PAPER INDUSTRY, PULPS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
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Legacy Key: link1978/newtext/t19780323/aaaaataw.tel
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Litigation History:
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TAGS: BENC, EFIN, TZ
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